GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:5287
ANSWERED ON:05.04.2017
Increase in Railway Revenue
Chandumajra Shri Prem Singh

Will the Minister of RAILWAYS be pleased to state:

(a) whether it is necessary to increase the revenue of the Railways in the year 2017-18;
(b) if so, the reaction of the Government thereto;
(c) whether the Government proposes to expand freight sector to augment the revenue of Railways;
(d) if so, the details thereof and whether the Government has prepared any action plan to increase freight charges; and
(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI RAJEN GOHAIN)

(a) to (e) : A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO. 5287 BY PROF. PREM SINGH CHANDUMAJRA TO BE ANSWERED IN LOK SABHA ON 05.04.2017 REGARDING INCREASE IN RAILWAY REVENUE

(a) Yes, Madam. Railways need increased revenue in 2017-18 not only to meet higher revenue expenditure assessed in Budget Estimates 2017-18 but also to have surplus so as to supplement Railways' capital expenditure from internal resources.
(b) Accordingly, a 9.8% increase in Gross Traffic Receipts of Railways has been targeted in Budget Estimates 2017-18.
(c) to (e) Yes, Madam. In order to increase the revenue earnings in freight transportation and to improve the efficiency of freight traffic specially for non-conventional traffic in high capacity and special purpose wagons, following schemes have been introduced for procurement of rakes for freight transportation by inviting private investment through partnerships:
â€¢ Liberalized Wagon Investment Scheme : So far, out of 68 rakes for which approval for procurement has been accorded to various customers, 32 rakes have been procured/inducted and are running in the system.
â€¢ Wagon Leasing Scheme : Two Companies have been registered under the scheme as Wagon Leasing Companies who have procured 12 rakes of BLC wagons and 1 BTAP rake. Approval for 4 new BLC, 1 BTAP and 6 BFNS(22.9t axle load) rakes have been accorded.
â€¢ Special Freight Train Operators Scheme : So far, 3 rakes of BRNA wagons have been inducted and approval for procurement of 3 rakes of BFNS(22.9t axle load) has been given.
â€¢ Automobile Freight Train Operators(AFTO) Scheme : License has been given to two companies to work as AFTO and they have procured 9 rakes till date.
Further, to facilitate rapid development of a network of freight terminals with private investment, to provide efficient and cost effective logistic services with warehousing solution to end users, a scheme namely Private Freight Terminal (PFT) has been introduced. So far, 94 proposals have been received under the scheme out of which 47 terminals have been notified and are functional.
Regular interactions are held with stakeholders of the main bulk commodities carried by the Railways so as to meet the requirement of the industry.
The Government has initiated various freight rationalization measures to increase freight revenue. Some of these steps are as under :-
(i) Withdrawal of Port Congestion Charge from 13.04.2016.
(ii) Extension of Automatic Freight Rebate scheme for traffic loaded in empty flow direction upto 31.03.2018.
(iii) Withdrawal of dual freight policy for iron ore w.e.f. 10.05.2016.
(iv) Re-introduction of short lead concession and reduction of minimum distance for charge from 125 km to 100 km w.e.f. 15.07.2016.
(v) Rationalisation of Coal Traffic has been done with reduction in freight for long lead power houses w.e.f. 22.08.2016.
(vi) BCN group permitted for two point booking and mini rake w.e.f. 15.03.2016.
(vii) Distance for mini rake increased from 400 km to 600 km w.e.f. 15.03.2016.
(viii) A liberalized policy with delegation of power to Zonal Railways introduced for two point booking of covered wagons in which any two stations within a distance of 200 km in busy season and 400 km in lean season have been permitted for two point booking w.e.f. 22.07.2016.

(ix) Rationalisation of Merry-Go-Round (MGR) system w.e.f. 01.04.2016, which has led to reduction in freight rate to the extent of 80%
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(x) Proliferation of Roll-on Roll-off (RORO) service launch on East Central Railway from 25.05.2016 and subsequently on other Zonal Railways.
(xi) Permission to notify Group I and Group II station/goods sheds as CRTs for lift on-lift off operations w.e.f. 12.07.2016.
(xii) Charging of commodities for transportation by containers has been liberalized. 43 additional commodities de-notified for charging at FAK rates w.e.f. 02.09.2016.
(xiii) Guidelines for Station to Station Rate policy issued on 29.09.2016.
(xiv) Class of various commodities have been rationalized and new commodities have been added in Goods Tariff.
(xv) Instruction for movement of HSD Oil in BTPN rates from Numaligarh refinery siding (NRSR) to Parbatipur, Bangladesh has been issued w.e.f. 13.03.2016.
(xvi) The system of transportation to Bangladesh through 'Dump' and 'load adjustment' has been discontinued.
(xvii) Withdrawal of levy of congestion charge for stone traffic transported from Eastern Railway to Bangladesh via Darsana/Benapole.
(xviii) Weighment of Standard Bagged consignment policy has been rationalized.
(xix) Discount on loading of bagged consignment in open and flat wagons w.e.f. 24.10.2016.
(xx) Policy on Long Term Contracts with key freight customers launched.
(xxi) Besides following measures are being planned for 2017-18:
a) New delivery models like − Running of double stack dwarf container under-wire.
b) Expansion of freight basket.
Evaluation of various alternatives relating to rationalization of freight structure is an on-going process.

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